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2 September 1970

MEMORANDUM FOR THE RECORD

SUBJECT: Limitations on Defense Funds in Southeast Asia

1. On 2 September 1970, I attended a meeting called by Department of State Under Secretary U. Alexis Johnson to discuss the Fulbright and other amendments to the Military Procurement Authorization bill. Also present were:

Department of State

John I. Getz, Special Assistant to Mr. Johnson

Congressional Relations

David M. Abshire, Assistant Secretary
Alexander Schnee

Bureau of Politico-Military Affairs

Thomas R. Pickering, Deputy Director
Christian Chapman, Director, Office of
Military Assistance and Sales

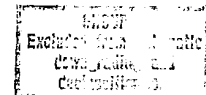
Legal Adviser

George H. Aldrich, Deputy Legal Adviser
Stanley N. Futterman, East Asian and
Pacific Affairs

Department of Defense

Dennis J. Doolin, Deputy Assistant Secretary
(East Asia and Pacific Affairs), International
Security Affairs

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J. Fred Buzhardt, General Counsel

Benjamin Forman, Assistant General Counsel
(International Affairs)

Brig. Gen. James F. Lawrence, Deputy
Assistant to the Secretary for Legislative
Affairs

White House

Richard K. Cook, Special Assistant to the
President

2. Mr. Johnson opened the meeting by saying it was a follow up to the discussion the day before on the West Coast among himself, Secretary Packard, Dr. Kissinger, and General Cushman as to what the amendments meant to operations in Southeast Asia and what the solutions to the various problems are. He said he would like to know if there was general understanding and agreement on the limitations to carrying out activities in Southeast Asia by transfer of funds from the Department of Defense to the Central Intelligence Agency. I stated it could be argued on legal technicalities that we were free to receive money from DoD and expend it in any manner the Administration deemed necessary, but that the political and practical problems of following such a course of action were most serious. There was general agreement on this, and rather to my surprise everyone present seemed to have come to this conclusion prior to the meeting.

3. Mr. Johnson then sought to appraise the problem. There seemed to be general agreement that the Administration could go along with all the amendments except the prohibitions which would prevent the use of Thai or other outside forces in Laos. This, therefore, was considered to be the critical problem. There was discussion of an effort to have the House representatives in conference remove the words "in Laos" from the Fulbright amendment. I said in view of the record that Senators Fulbright and Stennis agreed these words would not add anything but merely

SECRET

reflected the current intent of the Congress, this would not solve the political problems unless the conference report could reflect that eliminating the phrase showed the revised intent of the Congress. Mr. Johnson felt this course of action would be futile, as it would merely wave a red flag in Fulbright's face. There was considerable discussion of what the conferees could do, and State and Defense representatives have undertaken to devise language which might be useful in the conference report. Further, it was felt consultation should be had with at least Representatives Rivers and Arends as to what the House conferees might be able to accomplish in conference.

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I said I felt it would not be difficult to get some support in the House, but that I was concerned as to what Mr. Russell's attitude would be and I know Mr. Stennis has great respect for Mr. Russell's views. Furthermore, I said it would have to be more than just their approval; it would have to be the sort of support which would protect the Agency and its authorities against the inevitable attack that would come when the programs were publicized, and that there was no way we could keep them from being publicized. I said I would take this aspect up with the Director. Meanwhile, General Lawrence agreed he would approach Russ Blandford at the earliest opportunity to discuss what the House Armed Services Committee's position might be, and he agreed to consult with Mr. Maury prior to contacting Mr. Blandford.

4. I felt that in general there was good acceptance of the very delicate position CIA was put into by all these circumstances and this must be balanced against the urgent desire to carry on with the programs in Laos.

LAWRENCE R. HOUSTON
General Counsel

cc: DCI
DDCI
ExDir-Compt
DDP
FE
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